



October 19, 2009

Dear Community:

Each year when the City of Duvall releases its budget, the city holds a series of hearings on its revenues and expenditures. During a recent hearing there were a few questions regarding the revenues and if the city was planning on raising everyone's taxes. I wanted to address these issues to see if I can help clarify them.

To start off, in 2004 the voters in our city passed a levy where the city would increase your property taxes by 4% a year for six years. This levy is to support the parks and police. As part of the levy there is also a cap placed on how much the city can charge. That cap is based on a rate per thousand. That rate is \$1.60 per thousand. So when the city sets its rate each year we either select the lesser of 4% or the \$1.60. Since 2005 where the rate was \$1.60, the rate has decreased to where in 2009 the rate was \$1.33. The reason behind this was because your assessed value was going up by more than 4%.

When the city started the planning process for 2010, the first thing that was evident was that most people were seeing their assessed value decrease by an average of 17%. This then created an environment where we are going back to the original levy rate of \$1.60 per thousand. The good news is that the City of Duvall's portion is expected to go down. Other parts of the property tax for schools and the state will go up since when the assessed value goes down and your levy rate goes up you will see an increase in what you are paying. The amount you pay to Duvall is roughly 12% of your total property tax bill.

The big question is what has the city done with this extra money? We have used it to fulfill the top goals of the city council, those being a safe city with great parks. This is shown by the only department that has grown in the last five years is the police department and outside of Main Street, the city has placed a lot of its capital resources in building new parks or improving the ones that we have. The results show, Duvall has the lowest crime rate in all of King County. We have held that for a number of years. Secondly, with all of the young families our parks are very popular and enjoyed by many.

Finally, the city has reduced its total budget amount by 44% over the last three budgets. A lot of that is due to capital projects, yet it is still due to your city managing its resources well. For the 2010 budget that was a decrease from the 2009 budget we were able to maintain the same service levels. Are we perfect no, yet we are getting better at it each year. Below you will find a chart that outlines where your money is going.

	2007 Actual	2008 Actual	2009 Budget	2010 Budget
Operating Expenditures	7,977,116	8,503,364	8,034,748	7,872,608
Capital Expenditures	4,440,592	7,046,526	6,445,281	3,208,297
Operating Reserves	5,285,954	4,401,832	4,403,295	4,343,876
Capital Reserves	4,533,718	4,639,067	6,125,482	2,294,470
Total Uses	\$ 22,237,380	\$ 24,590,789	\$ 25,008,805	\$ 17,719,251

I hope this helps clarify any concerns you may have, and please feel free to call, if you have any questions.

Sincerely,

Will Ibershof
Mayor